

(c) No evidence of any link between this smuggling and militants has come to notice.

(d) Does not arise in view of (c) above.

#### **Basel Committee on Banking Supervision**

**2613. SHRI K. RAHMAN KHAN:** Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the Basel Committee on banking supervision is considering sweeping changes for setting new categories for risk including operational risks like computer failures to keep pace with the increasing sophistication in the financial service industry; and

(b) if so, what are the details in this regard?

**THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE-PATIL):** (a) and (b) Reserve Bank of India (RBI) has reported that the Basel Committee on Banking Supervision (BCBS) has released a Second Consultative Document on "The New Basel Capital Accord" which contains proposals to prescribe explicit capital charge for operational risk, in addition to capital charge for credit risk and market risk in the trading book. RBI has further reported that these proposals are not final and the Committee intends to do more work over the coming months to determine how best to set minimum capital requirements for operational risk, assuming that additional data will become available. Further, the Committee has envisioned that the New Accord will be implemented in member jurisdictions in 2004.

#### **Income-Tax on PF**

**2614. SHRI BRATIN SENGUPTA:** Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that a quantum of Income-Tax is being imposed on the Provident Fund of the Central Government employees;

(b) whether this tax was earlier payable by them or it is altogether a new tax; and

(c) how much black money has been unearthed in the country?

**THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI GINGEE N. RAMACHANDRAN):** (a) No Sir.

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**RAJYA SABHA**

(b) Not applicable in view of (a) above.

(c) Unearthing of black money is a continuous process. Income tax searches are conducted to detect undisclosed income. Apart from that, Voluntary disclosure schemes are also introduced from time to time, like the Voluntary Disclosure of Income Scheme (VDIS), 1997 to encourage income brought to tax in block assessments made in search cases during the Financial Years 1997-98, 1998-99 and 1999-2000 is Rs. 10,579 crores. The income declared under the VDIS, 1997 was Rs. 33,289 crores.

**Cadre review of Central Excise and Customs**

**2615. SHRI RAMACHANDRA KHUNTIA:** Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the cadre restructuring proposal for the Income Tax has already been cleared by the Union Cabinet in September, 2000, while it is yet to be placed before the Cabinet in the case of Central Excise and Customs;

(b) if so, the reasons for this dichotomy;

(c) whether Government are aware that cadre reviews are mandatory every 5 years for an organised service; and

(d) when the next review is due for the Central Excise and Customs?

**THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI GINGEE N. RAMACHANDRAN):** (a) Yes, Sir. The proposal for restructuring of Income Tax Department was, however, cleared by the Cabinet on 31st August, 2000,

(b) The Note for consideration of the Cabinet in respect of the restructuring of the Customs and Central Excise Department is yet to be finalised, in consultation with Ministries/Departments concerned.

(c) There is no such mandatory provision. The Department of Personnel and Training has laid down that cadre review of Group "A" Central Services shall be held ordinarily at the interval of every five years.

(d) The cadre review of the Customs and Central Excise service has been taken up along with the restructuring proposal.